

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.



Washington, D.C. 20549

(In ordering full text of Releases from Publications Unit, cite number)

(Issue No. 65-3-21)

FOR RELEASE March 29, 1965

**MIDWEST PLANNED INVESTMENTS SUSPENDED.** In a decision announced today, the Commission affirmed a ruling of the NASD that Midwest Planned Investments, Inc. ("MPI"), of Minneapolis, had violated the Commission's net capital rule in 1962. However, the Commission modified the NASD sanction of expulsion from NASD membership to one of suspension from the NASD for a period of 45 days, commencing April 2, 1965. The Commission also reduced to a 45-day suspension the NASD's revocation of the registration of two officers as registered representatives, Charles F. Wallander, Jr., president, and Myron O. Kirkeby, an executive vice president. Another executive vice president, Edward T. Johnston, the general sales manager, was found to have had no connection with the violations, and the NASD revocation of his registration was set aside.

The NASD had found that MPI had net capital deficiencies at the end of August, September and October 1962, respectively. The net capital deficiencies for September and October, which were substantially larger, were not in dispute. And the principal issue involving the August deficiency related to the District Conduct Committee's determination that certain "control" stock could be included in MPI's assets at an amount based on current bid quotations for the stock by four local dealers. The NASD Board of Governors had excluded this stock, pledged together with other securities as collateral for a substantial loan, as "not readily convertible into cash." The Commission agreed with the NASD that the shares should be valued at the bid price, rather than at the mean between the bid and ask prices as urged by MPI, but that, as control shares, they were not readily convertible into cash. However, it held that the shares could be included as assets in the MPI net capital computation to the extent that the loan obtained by MPI was secured by them. On this basis, and considering the value of the other collateral securing the loan, the Commission concluded that the August deficiency amounted to about \$10,000 and that the net capital deficiencies for September and October were subject to a similar adjustment by reason of the ruling on the control stock.

The Commission also affirmed the NASD ruling that an August 1962 prospectus used in a public offering of MPI shares was materially misleading in that it failed to disclose that MPI was not in compliance with the net capital rule.

Based upon its ruling as to the control stock, and in view of certain mitigating factors, including the fact that MPI, upon discovering the September deficiency, had attempted in good faith to qualify for an exemption from the net capital rule, the Commission concluded that the penalties imposed upon MPI, Wallander and Kirkeby should be reduced to 45-day suspensions.

**WASHINGTON WATER POWER SEEKS ORDER.** The Washington Water Power Company has applied to the SEC for an order under the Trust Indenture Act of 1939 finding that the trusteeship of Morgan Guaranty Trust Company of New York under indentures of May 1, 1953 (not qualified under the Act), and January 1, 1958 (qualified under the Act), and the trusteeship by the same bank under a new indenture dated March 1, 1965 (not qualified under the Act), are not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify Morgan Guaranty from acting as trustee under the existing trusteeship and the new indenture. The Commission has issued an order (TI-218) giving interested persons until April 21 to request a hearing thereon.

According to the application, the company has outstanding \$11,472,000 of 4% sinking fund debentures due 1978 under the 1953 indenture, and \$9,471,000 of 4-1/2% sinking fund debentures due 1983 under the 1958 indenture. The company proposes to issue \$6,000,000 of its 4-3/4% sinking fund debentures due 1990 under the new indenture to a limited number of institutional investors.

**COMMON MARKET GROWTH FUND RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-4200) declaring that the Common Market Growth Fund, Inc., Washington, D. C., has ceased to be an investment company.

**DECATUR INCOME AND DELAWARE FUNDS SEEK ORDER.** Decatur Income Fund, Inc., and Delaware Fund, Inc., Philadelphia open-end diversified investment companies, have applied to the SEC for an exemption order under the Investment Company Act with respect to the sale by Decatur to Delaware of 14,000 shares of Pan American Sulphur Corp.; and the Commission has issued an order (Release IC-4201) giving interested persons until April 15 to request a hearing thereon. According to the application, the sale of the shares to Delaware (which presently owns 15,000 shares of Pan American) is to be consummated at the closing price of such shares on the New York Stock Exchange on the date the requested exemption order is granted, provided that the price has neither increased nor decreased by more than 15% from the March 5, 1965, mean price of \$49 per share. Delaware and Decatur have common directors and officers and employ the same investment adviser, Delaware Management Co., Inc.

**GOLD SEAL INTERNATIONAL SUSPENSION PERMANENT.** The SEC today announced a decision under the Securities Act (Release 33-4773) making permanent a prior order temporarily suspending a Regulation A exemption from Securities Act registration with respect to a proposed public offering of stock by Gold Seal International A & C, Inc. ("International"), of Tacoma, Wash. After first requesting a hearing on the temporary suspension order, the company later withdrew its request and consented to entry of the permanent suspension order. Upon

OVER

the basis of the allegations contained in the original order issued December 22 and International's consent, the Commission found that the company's Regulation A notification and offering circular were false and misleading in various respects, and that an offering of International stock pursuant to the said offering circular would have violated the anti-fraud provisions of the Securities Act. The Commission ruled that there was a failure to make proper disclosures of sales within the past year of securities of an affiliate, Gold Seal Chinchilla Association, Inc., as well as false and misleading statements with respect, among other things, to the extent of chinchilla breeding stock sales by another affiliate, Gold Seal Chinchillas, Inc., the extent and results of the chinchilla manufacturing and marketing program carried out by the affiliates, the risks inherent to the raising and breeding of chinchillas, and the selling price of chinchillas, methods of selling, and problems of financing contract sales.

**WARNER & SWASEY FILES STOCK PLANS.** The Warner & Swasey Company, 5701 Carnegie Ave., Cleveland, Ohio 44103, filed a registration statement (File 2-23344) with the SEC on March 25 seeking registration of 162,810 shares of common stock, to be offered pursuant to its 1955 and 1965 Stock Option Plans.

**GREATAMERICA PROPOSES DEBENTURE OFFERING.** Greatamerica Corporation, National Bank of Commerce Bldg., Dallas 75201, filed a registration statement (File 2-23345) with the SEC on March 26 seeking registration of \$65,000,000 of convertible debentures, due 1985, to be offered for public sale. The debentures are convertible into outstanding shares of common stock of The Franklin Life Insurance Company owned by the company. Goldman, Sachs & Co., 20 Broad St., and Lehman Brothers, 1 William St., both of New York, are listed as the principal underwriters. The interest rate, public offering price and underwriting terms, as well as the conversion rate, are to be supplied by amendment.

Organized under Nevada law in 1962, the company controls, through stock ownership, the following three life insurance companies: The Franklin Life Insurance Co., American-Amicable Life Insurance Co. and Gulf Life Insurance Co. It also controls First Western Bank and Trust Co., which is engaged in the general banking business in California; Braniff Airways, Inc., a domestic and international air carrier; and Stonewall Insurance Co., a fire and casualty insurance company. Net proceeds from the company's debenture sale will be used to discharge some \$56,294,000 of indebtedness and for general corporate purposes. In addition to indebtedness, the company has outstanding 15,656,317 common and 480,000 Class B common shares, of which management officials own 20.1% and 100%, respectively. Troy V. Post is board chairman and president of the company.

**CHRYSLER FILES STOCK PLAN.** Chrysler Corporation, 341 Massachusetts Ave., Highland Park, Mich., filed a registration statement (File 2-23346) with the SEC on March 26 seeking registration of \$20,000,000 of interests or participations in its Thrift-Stock Ownership Program, together with 450,000 shares of common stock that may be acquired pursuant thereto.

**AMERICAN ELECTRIC POWER FILES STOCK PLAN.** American Electric Power Company, Inc., 2 Broadway, New York 10008, filed a registration statement (File 2-23347) with the SEC on March 26 seeking registration of 535,000 shares of common stock, to be offered under the American Electric Power System Key Employee Stock Purchase Plan--1965.

**FOOTE, CONE & BELDING FILES STOCK PLAN.** Foote, Cone & Belding, Inc., 200 Park Ave., New York 10017, filed a registration statement (File 2-23348) with the SEC on March 26 seeking registration of 50,000 shares of common stock, to be offered pursuant to its Stock Purchase Plan.

**AURORA PLASTICS FILES FOR SECONDARY.** Aurora Plastics Corp., 44 Cherry Valley Rd., West Hempstead, Long Island, N. Y., filed a registration statement (File 2-23349) with the SEC on March 26 seeking registration of 125,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof. Burnham and Co., 60 Broad St., New York 10004, is listed as the principal underwriter. The public offering price (\$35 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is principally engaged in the manufacture and sale of a line of hobby kits, miniature electric car and roadway sets under the trademark "Model Motoring," slot racing cars in kit and preassembled form and similar products. In addition to indebtedness, it has outstanding 966,529 common shares, of which management officials own 56.2%. The prospectus lists three selling stockholders, as follows: Abe Shikes (president), offering 50,000 of 244,676 shares held; Joseph E. Giammarino (secretary-treasurer), 50,000 of 244,675; and John R. Cuomo (executive vice president), 25,000 of 51,236.

**ODD LOT DATA AVAILABLE WEEKLY.** In its announcement of January 27th (Statistical Release 2027), the Commission announced that its monthly Statistical Bulletin would include weekly totals of customers' odd-lot purchases and sales in 75 selected stocks listed on the New York Stock Exchange. It is now proposed that the weekly statistical report on round-lot trading by members of the New York and American Stock Exchanges will include weekly odd-lot purchase and sale data on the 75 stocks - for the second week preceding the report. Accordingly, the statistical release issued during the week of March 29th will include data reported for the week ended March 19th. The release is printed and distributed about the middle of each week. As indicated in the January 27th announcement, the data also will be included in the Monthly Statistical Bulletin.

**RECENT FORM 8-K FILINGS.** The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified. Photocopies thereof may be purchased from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with the requested material when mailed. An index of the caption of the several items of the form was included in the March 1 News Digest.

Wichita River Oil Corp Nov 64 (2,7,13)	1-1637-2	Western Natural Gas Co Nov 64 (2,8,11,12,13)	2-8015-2
Uniservices Inc Formerly One-hour Valet Inc Feb 65 (11,13)	0-77-2	Eigeet Optical Co Inc Feb 65 (11,13)	2-17795-2
Beneficial Standard Life Ins Co Feb 65 (7,13)	2-11459-2	Central Hadley Corp Feb 65 (12)	1-4097-2
Conductron Corp Feb 65 (7,10,13)	2-19487-2	Hawley Products Co Feb 65 (2,10,13)	2-16378-2
National Secur Inc Feb 64 (7,12)	2-16334-2	Insurance Capital Inc Feb 65 (7,9)	2-21820-2
Coca Cola Bottling Co of NY Inc Oct 63 (12,13)	1-4348-2	Combustion Engineering Inc Feb 65 (13)	1-117-2
Apr 64 (11,13)	1-4348-2	Ianstee Metallurgical Corp Dec 63 (7,13)	1-2331-2
Oct 64 (12,13)	1-4348-2	Industrial Instruments Inc Mar 65 (11)	1-4899-2
Rochester Gas & Electric Corp Feb 65 (13)	1-672-2	Sterling Precision Corp Jan 65 (12)	1-3967-2
Empire Mines Co Feb 65 (11)	1-364-2	Kansas City Terminal Ry Co Mar 65 (11)	1-662-2
Eureka Bullion Mining Co Jan 65 (11)	1-362-2	Markite Corp Mar 65 (13)	2-19201-2
Yankee Consolidated Mining Co Jan 65 (11)	1-365-2	Shinn Industries Inc July 62(11,13)	2-17338-2
Roadcraft Mfg & Leasing Corp June 64 (11)	2-21517-2	Dec 62 (11,13)	2-17338-2
The Rucker Co Feb 65 (12,13)	2-19797-2	May 64 (11,13)	2-17338-2
International Breweries Inc Amend #1 to 8K for Feb 65 (12)	1-3905-2	Nov 64 (8,13)	2-17338-2
Brunswig Drug Co Amend #1 to 8K for Mar 64 (13)	2-7881-2	Dec 64 (11,13)	2-17338-2
Lake Arrowhead Development Co Amend #1 to 8K for Dec 64 (4,7)	0-131-2	Wilshire Oil Co of Texas Mar 65 (12)	1-4673-2
Western States Real Investment Trust Amend #1 to 8K for Aug 64 (2,13)	2-19288-2	Sternco Industries Inc Apr 63 and Apr 64 (11)	2-19817-2
Blackstone Valley Electric Co Formerly: Blackstone Valley Gas & Electric Co Feb 65 (11,13)	2-1698-2	Mar 65 (12)	2-19817-2
Conchemco Inc Feb 65 (2,7,13)	2-23070-2	Inpak Systems Inc Feb 65 (1,2)	2-19200-2
Gov't Employees Corp Feb 65 (4,7,13)	2-8620-2	Great Lakes Bowling Corp Feb 65 (7,13)	1-4526-2
Investors Funding Corp of N Y Feb 65 (7)	1-4600-2	Levingston Shipbuilding Co Feb 65 (7,8)	2-13343-2
Ling-Temco-Vought Inc Feb 65 (13)	1-4368-2	Milwaukee Gas Light Co Feb 65 (11,13)	2-8631-2
Overnite Transportation Co Dec 64 (2,7,14)	1-4747-2	Taylor Colquitt Co Sept 64 (1)	2-2952-2
Alaska Airlines Inc Amend #2 to 8K for Nov 64 (3,7)	1-3314-2	Hamilton Management Corp Mar 65 (1,3)	2-16288-2
United Air Lines Inc Amend #1 to 8K for Feb 65 (7,13)	1-2637-2	Knapp-Monarch Co Mar 65 (11)	1-3407-2
Witco Chemical Co Inc Amend #1 to 8K for Dec 64 (4,7)	1-4654-2	Miss Pat Feb 65 (2,13)	2-18827-2
Cowles Magazines & Broadcasting Inc Amend #1 to 8K for Dec 64 (10)	2-18810-2	Northwestern Glass Co Mar 64 (7,11)	0-193-2
Pentron Electronics Corp Amend #1 to 8K for Nov 64 (13)	1-4303-2	Colonial Board Co Mar 64 (11,13)	2-20076-2
Perfect Photo Inc Amend #1 to 8K for Feb 65 (7)	1-4256-2	H I Thompson Fiber Glass Co Feb 65 (12,13)	2-10421-2
		Hazeltine Corp Amend #2 to 8K for Jan 65 (3)	1-230-2
		Pittsburgh Railways Co Amend #1 to 8K for Oct 64 (13)	1-3606-2

J B Ivey & Co Amend #2 to 8K for Sept 62 (7)	2-7650-2	Maradel Products Inc Apr 63 (11)	2-19926-2
Roosevelt Raceway Inc Amend #1 to 8K for May 62 (13)	1-3966-2	Apr 64 (11)	2-19926-2
Cenco Instruments Corp Amend #1 to 8K for Jan 65 (7)	1-3730-2	Prudential Real Estate Trust Feb 65 (2,7,13)	2-19413-2
Economics Lab Inc Amend #1 to 8K for Oct 64	2-12950-2	Wood Newspaper Machinery Corp July 64 (2,7,13)	1-3656-2
Atlas Sewing Centers Inc Amend #1 to 8K for Jan 65	1-4265-2	Amer Export Isbrandtsen Lines Inc Feb 65 (7,12,13)	1-3097-2
Jessop Steel Co Feb 65 (13)	2-5525-2	Commonwealth Natural Gas Corp Feb 65 (7,13)	2-8491-2
Kennesaw Life & Accident Ins Co Feb 65 (7,10,12,13)	2-15835-2	International Railways of Cen Amer Amend #1 to 8K for Feb 65 (3)	1-1444-2
American Realty Trust Jan 65 (2)	2-18552-2	American Realty Trust Amend #1 to 8K for Jan 65 (13)	2-18552-2
Feb 65 (2)	2-18552-2	Amend #1 to 8K for Feb 65 (13)	2-18552-2
U S Fidelity & Guaranty Co Mar 65 (11)	2-8225-2	American Safety Table Co Inc Amend #1 to 8K for Dec 64 (4,7,13)	1-4805-2
Southern Pacific Co Feb 65 (13)	1-3441-2	Master Industries Inc Amend #1 to 8K for Aug 64 (7,13)	2-18684-2
Mattel Inc Mar 65 (12,13)	1-4777-2	A M Castle & Co Amend #1 to 8K for Dec 64 (4)	1-505-2

ISRAEL DEVELOPMENT, OTHERS RECEIVE ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-4202) with respect to certain investments by Israel Development Corp., Israel Investors Corp. and Victor M. Carter in Nesher-Cement, Ltd., and two of its subsidiaries engaged in the manufacture and sale of cement, Israel Portland Cement Works Ltd. and Israel Portland Cement Works Nehher-Ramle Ltd.

NEW REGISTRATIONS OF O/C COMPANIES: Soroban Engineering Inc., Palm Bay, Fla. (File 0-84); Barnwell Industries, Inc., Shreveport, La. (File 0-85); Dayco Corp., Dayton, Ohio (File 1-1089J); Veeco Instruments Inc., Plainview, N. Y. (File 0-87); Roberts Consolidated Industries, Inc., City of Industry, Calif. (File 0-88); Caressa, Inc., Miami, Fla. (File 0-89); Steak n Shake, Inc., Bloomington, Ill. (File 0-90); Schenit Rubber Co., Baltimore, Md. (File 0-91); Woodward Governor Co., Rockford, Ill. (File 0-92); New Jersey Natural Gas Co., Asbury Park, N. J. (File 0-93); Lowe's Companies, Inc., No. Wilkesboro, N. C. (File 0-94); Fritzi of California Mfg. Corp., San Francisco, Calif. (File 0-95); Precision Instrument Co., Palo Alto, Calif. (File 0-96); Cary Chemicals Inc., East Brunswick, N. J. (File 0-97); Washington Steel Corp., Washington, Pa. (File 0-98); Federal Services Finance Corp., Washington, D. C. (File 0-99); Great Southwest Corp., Arlington, Texas (File 0-100); Universal Foods Corp., Milwaukee, Wis. (File 0-101); Vesely Co. Lapeer, Mich. (File 0-102); Modern Materials Corp., Detroit, Mich. (File 0-103); Nuclear Materials & Equipment Corp., Apollo, Pa. (File 0-104); Blue Bell, Inc., Greensboro, N. C. (File 0-105); Atlanta Gas Light Co., Atlanta, Ga. (File 0-109); Missouri Natural Gas Co., Farmington, Mo. (File 0-110); Wayne-George Corp., Newton, Mass. (File 0-111); Luck's, Inc., Seagrove, N. C. (File 0-112); Indiana Gas & Water Co., Inc., Indianapolis, Ind. (File 0-113); John Rogers Co., Atlanta, Ga. (File 0-114); Wehr Corp., Milwaukee, Wisc. (File 0-119); Charles Jacquinet Cie., Inc., Philadelphia, Pa. (File 0-120).

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended March 25, 1965, 47 registration statements were filed, 36 became effective, 1 was withdrawn, and 321 were pending at the week-end.

SECURITIES ACT REGISTRATION. Effective March 29: Puerto Rican Investors Fund, Inc. (File 2-22816).

\*As estimated for purposes of computing the registration fee.

---oooOooo---